

GAO

Report to the Chairman, Subcommittee on
General Services, Federalism, and the
District of Columbia, Committee on
Governmental Affairs, U.S. Senate

February 1989

POSTAL SERVICE

Community Involvement in Post Office Relocation Decisions



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General Government Division

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February 17, 1989

The Honorable Jim Sasser
Chairman, Subcommittee on General
Services, Federalism, and the
District of Columbia
Committee on Governmental Affairs
United States Senate

Dear Mr. Chairman:

This report is in response to your March 25, 1987, request and subsequent agreements reached with you that we review the U.S. Postal Service's policies for notifying communities when relocating a post office and how well these policies have been implemented in Tennessee. We also reviewed 11 specific Tennessee projects you referred to us that gave rise to complaints from your constituents. We are providing you information on each of these projects in a separate letter.

As arranged with the Subcommittee, we plan to distribute copies of this report to the House Committee on Post Office and Civil Service and its two postal Subcommittees, the Postal Service Board of Governors, and the Postmaster General. Copies will also be made available to other interested parties upon request.

The major contributors to this report are listed in appendix IV.

Sincerely yours,

A handwritten signature in black ink that reads 'L. Nye Stevens'. The signature is written in a cursive style with a large initial 'L'.

L. Nye Stevens
Associate Director

Executive Summary

Purpose

The U.S. Postal Service (USPS) manages approximately 35,000 buildings nationwide. As its space requirements change and leases expire, some of these facilities need to be relocated. These moves can cause controversy within a community and upset local postal customers.

The Chairman of the Senate Governmental Affairs Subcommittee on Government Efficiency, Federalism, and the District of Columbia asked GAO to review USPS policies for notifying communities when a post office is to be relocated. In addition, GAO agreed to review the adequacy of policy implementation in 73 post office relocations in Tennessee, part of the USPS' Southern Region, for fiscal years 1984 through 1987, and visit several communities where relocation was an issue. GAO also reviewed how well these policies were implemented in 30 site acquisition cases in the Eastern, Southern, and Western Regions, three of the five postal regions. These 30 cases were randomly selected as part of a comprehensive survey of the USPS real estate acquisition program done at the request of the Chairman of the House Committee on Post Office and Civil Service.

Background

USPS policy requires specific coordination within the community involved in a forthcoming facility relocation to minimize concerns and prevent potential delays in acquiring new postal facilities. Community notification requirements are the same whether the facilities are USPS owned or leased.

When a facility is relocated, coordination is required to take place both at the time a preferred geographical area is designated and again when a preferred site is selected. Preferred area coordination should start with letters to the head of the local government, usually the mayor, and to the state government's point of contact responsible for federal facility actions. Concurrence from the community is always to be sought but not required, and USPS can proceed without it. Occasionally the Service will close or consolidate a post office. When this occurs, more detailed notification policies must be followed, as outlined in 39 U.S.C. 404.

Results in Brief

Required contacts with state and local organizations within the community were usually made. Of the 30 projects GAO reviewed from the Eastern, Southern, and Western Regions, USPS accomplished 123 of the 138 required local and state notifications. (See p. 14.) For the 73 post office relocations reviewed in Tennessee, 151 of the 219 required notifications had been made. (See p. 16.)

In the Southern Region, the notification procedure varied between owned and leased facilities. When new facilities were leased, preferred area notifications to local officials and the state were usually not being done. (See p. 16.)

GAO could not determine any significant effect on the projects reviewed that resulted from failure to coordinate with state and local officials. Nevertheless, GAO endorses the principle of community notification because failure to coordinate with state and local officials might preclude helpful suggestions about where a facility should be located and might lead to the perception that the Postal Service is inattentive to local customer interests. (See p. 19.)

Principal Findings

For the 30 projects GAO reviewed from three USPS regions, 19 complied with all the community notification requirements. Project files did not contain one or more of the required notifications for the other 11 projects. (See p. 14.)

For the post office relocations reviewed in Tennessee, GAO found that 24 of the 73 projects complied with all community notification requirements, while the remaining 49 had not made one or more notifications. None of the required notifications were sent on eight of the nine projects where USPS leased existing facilities. (See p. 16.) Of the 48 leased projects which were built to USPS specifications, the state was not contacted about 37 preferred areas. (See p. 16.)

In most instances coordination in the Southern Region had not occurred because the region had been misinterpreting USPS community coordination policy. It was not requiring notifications when a site was to be leased rather than owned. Also, some new staff were not aware of the coordination requirements. The USPS Southern Region has already taken steps to clarify its community coordination requirements and ensure their application to leased facilities. It also discussed these procedures during training sessions held in June 1988. (See p. 19.)

GAO's visits to several communities that had been affected by a proposed relocation revealed general satisfaction with the final decision. (See p. 18.)

Recommendations

GAO is not making any recommendations.

Agency Comments

By letter dated December 13, 1988, the Postmaster General accepted GAO's findings that the Southern Region had been misinterpreting community coordination policy and stated that remedial action has been taken to clarify coordination requirements. (See app. III.)

Contents

Executive Summary		2
Chapter 1		8
Introduction	Postal Service Policy on Community Involvement When Relocating Facilities	8
	Objective, Scope, and Methodology	12
Chapter 2		14
The Postal Service Usually Coordinates Proposed Relocations, but Contact Policies Are Not Always Followed	Most Coordination Completed for 30 Site Acquisition Projects	14
	Most Coordination Completed for 73 Relocation Projects in Tennessee	16
	USPS' Southern Region Facilities Service Center Acts to Improve Community Coordination	18
	Agency Comments	19
Appendixes	Appendix I: USPS Policy on Closing or Consolidating Facilities	20
	Appendix II: USPS Memorandum Establishing Coordination Procedures	22
	Appendix III: Comments of the Postmaster General on a Draft of This Report	24
	Appendix IV: Major Contributors to This Report	25
Tables	Table 1.1: Coordination Procedures Required in USPS Southern Region	11
	Table 2.1: Coordination Required and Accomplished on the 24 Small Projects by USPS Region	15
	Table 2.2: Coordination Required and Made for 73 Relocation Projects in Tennessee	16

Abbreviations

FSC	Facilities Service Center
FSO	Facilities Service Office
SHPO	State Historical Preservation Office
USPS	U.S. Postal Service

Introduction

The U.S. Postal Service (USPS) Facilities Department manages approximately 35,000 facilities. About 84 percent of these are leased, but the larger facilities are USPS owned. Capital commitments for owned and leased facilities during fiscal year 1987 exceeded \$1.2 billion.

Within Tennessee, USPS managed 713 facilities as of September 1987. These facilities included 493 leased post offices, 109 USPS-owned post offices, 67 contract post offices or stations (retail businesses that provide basic postal services under contract with USPS), and 44 other facilities, such as vehicle maintenance facilities, bulk mail centers, or air mail facilities.

In the 4 fiscal years 1984 to 1987, USPS provided 110 new facilities throughout Tennessee. These facilities represent about 15 percent of all USPS facilities in the state. The facilities provided during this period included 19 USPS-owned buildings (new construction), 2 purchased buildings, 48 leased buildings (new construction), and new leased space in 41 existing buildings.

Postal Service Policy on Community Involvement When Relocating Facilities

The replacement of a post office usually results in a move to a new location and frequently causes postal customers to publicly express concern about the accessibility of services at the new location. Occasionally, such concern is expressed to members of Congress who call on USPS to justify the relocation of the office. In recognition of the public interest in the location of a post office, USPS policy is to coordinate with the affected community when a postal facility is being relocated, both at the time a preferred area¹ is designated and again when a site is selected.

Normally, after the Postal Service decides on a preferred area that will meet both operational as well as customer service needs, it will solicit offers for sites within the preferred area through both public advertising and direct contact with real estate agents and property owners. A committee of Postal officials will evaluate those offers to determine which will best suit the Service's needs; they will then make a final selection of the preferred site. The Service may purchase land and construct USPS-owned facilities, lease newly constructed facilities built to Service specifications, lease existing space, or purchase and modify an existing building.

¹The preferred area is the geographic boundary considered the best area within which to put a postal facility.

USPS guidelines set forth in section 517 of the Administrative Support Manual require the same level of community coordination for all types of facility relocations, whether they involve new facility construction (owned or leased), expansion of an existing facility, or purchase or lease of an existing building if a new or substantially enlarged occupancy is involved. For preferred area notifications, the guidelines say that coordination with local public officials should take place as early as possible in planning a project. Coordination should start with letters to the head of the local government, usually the mayor, and to the state government official responsible for planning and/or zoning. The letter is to include a general description and pertinent information about the project. In addition, the USPS Southern Region, which includes Tennessee, requires more coordination for USPS-owned facilities than the national requirement, such as direct contact with the local Chamber of Commerce.

Community coordination requirements for the preferred site, in section 517, say only that the appropriate intergovernmental review process must be followed for the selected site. Under the Postal Reorganization Act (39 U.S.C. 410[a]), USPS is exempt from the Intergovernmental Cooperation Act of 1968 and the related community notification requirements specified by the Office of Management and Budget Circular A-95.² However, USPS has elected to follow these intergovernmental review procedures as a matter of policy and has published regulations in the Federal Register. These regulations are contained in Title 39 of the Code of Federal Regulations at Part 778.

USPS guidelines implementing the regulations are set out in chapter 7 of USPS Handbook RE-6 on Environmental and Intergovernmental Review Procedures (May 29, 1987).³ The guidelines say that "Notices about facility project actions are to be given during the planning and execution of facility projects . . . to effect necessary consultation with State and local governments that may be directly affected by those projects." The notices are to contain (1) a description of the proposed action, (2) the date by which comments are to be received on the notice, (3) the USPS person who should be contacted for additional information, and (4) the address to which comments are to be sent.

²This circular required federal agencies to coordinate certain proposals and actions with state and local governments and has been replaced by similar requirements under Executive Order 12372.

³Prior to the revision of Handbook RE-6, the guidelines were detailed in a USPS Management Instruction entitled "Intergovernmental Review of Facility Project Actions," MI-AS-510-84-5 (issued Mar. 19, 1984, effective date Sept. 30, 1983).

As set forth in the regulations and in Handbook RE-6, each state has the option of setting up a single point of contact and designating the types of facility actions proposed by federal agencies that this “clearinghouse” will review. If the state has designated a single point of contact as Tennessee has designated the State Clearinghouse, the notice should normally be sent to that office. If no single point of contact has been designated, the guidelines say that notices should be sent directly to the affected state, areawide, regional, and local officials, or entities. The guidance does not distinguish between coordination requirements for preferred areas versus preferred sites.

The Manager of the Memphis Facility Service Center (FSC) Realty Acquisition Branch said that for new construction projects with sites exceeding 30,000 square feet, additional notifications are to be made in accordance with the USPS Handbook RE-6. He said that state and local contacts are to be notified of the results of USPS’ environmental assessment and site planning reports required for these larger projects.

Both the General Manager of Realty Management, USPS headquarters, and the General Manager of the Southern Region, FSC Real Estate Division, interpreted the USPS community coordination requirements to mean that for all types of relocations, USPS is (1) to notify and seek the concurrence of the locally elected official and the State Clearinghouse on the preferred area and (2) to notify and seek the concurrence of the State Clearinghouse on the designated preferred site. Copies of all notices to the State Clearinghouse are also to be sent to the State Historical Preservation Office (SHPO) and local government officials as a standard practice in the Southern Region.

While coordination is required, concurrence from the affected community is not mandatory in order to proceed with a facility relocation. But a Southern Region official said the region always attempts to accommodate any community concerns.

Closing or Consolidating a Post Office Requires Different Procedures

Occasionally, a post office is permanently closed or consolidated rather than relocated to a new site. Required procedures for closing a post office are more comprehensive and precise than for relocations. They are summarized in appendix I.

Usually closing is considered when a postmaster retires, a lease expires, or suitable space for the post office is otherwise lost, according to the Director of Field Operations, Memphis Operating Division. He added

that if equal or better postal service could be provided through alternate means, appropriate procedures are followed to study the feasibility of a change in service.

Additional Southern Region Coordination Requirements for USPS-Owned Facilities

In the Southern Region, notification procedures for USPS-owned facilities went beyond the written requirements in the Administrative Support Manual and Handbook RE-6, according to the General Manager, FSC Real Estate Division, and the Manager, FSC Realty Acquisition Branch. In addition to requiring that the locally elected official and State Clearinghouse be notified of the preferred area and the clearinghouse of the preferred site, the Southern Region, according to the officials, requires that the Chamber of Commerce and SHPO also be notified directly of the preferred area and that the locally elected official and SHPO also be notified directly of the preferred site for USPS-owned facilities.

Southern Region Coordination Procedures Varied When Facilities Were Leased Rather Than Owned

National USPS guidelines do not distinguish between leased or owned facilities in its requirements for written state and local coordination. Table 1.1 shows the different coordination procedures required by the USPS Southern Region for each type of relocation action.

Table 1.1: Coordination Procedures Required in USPS Southern Region

Coordination point	USPS-owned	Leased
Preferred area:		
Local official	a	a
Chamber of Commerce	b	c
State Clearinghouse	a	a
SHPO	b	c
Preferred site:		
Local official	b	c
State Clearinghouse	a	a
SHPO	b	c

^aCoordination required by USPS guidelines.

^bAdditional coordination required in Southern Region.

^cCoordination not required but sometimes done.

Objective, Scope, and Methodology

Our objective, in response to a request by the Chairman, Subcommittee on Government Efficiency, Federalism, and the District of Columbia, Senate Committee on Governmental Affairs, was to determine whether USPS was following established community coordination procedures when relocating post offices, with particular emphasis on practices in the state of Tennessee. As agreed with the Subcommittee, we did not review compliance with a separate and more complex set of procedures, described in appendix I, that are required when the Postal Service closes or consolidates a post office. There were only 11 closings or consolidations among the more than 700 postal facilities in Tennessee over the 4 fiscal year period 1984 to 1987.

To accomplish our objective, we reviewed project files of the 73 Tennessee post offices relocated during fiscal years 1984 through 1987. We compared required procedures with actual coordination procedures to determine whether USPS notified local elected officials and intergovernmental agencies of the preferred area and of the preferred site as appropriate. We also determined whether these officials and agencies concurred before USPS acquired the site for each proposed facility.

Of the 110 newly occupied facilities in Tennessee during these 4 years, 73 involved the relocation of a local post office and were included in our review. The remaining 37 facilities were excluded from our review because the facility was either a large general mail or air mail facility, an addition to a post office, or space used for purposes such as offices, warehouse and storage, or temporary quarters.

We also reviewed 30 site acquisition projects in process or completed in fiscal years 1986 and 1987 in the USPS Eastern, Southern, and Western Regions to determine the extent of community coordination in three of the five postal regions. We randomly selected 10 projects from each of the three regions reviewed. These 30 cases were reviewed as part of a comprehensive survey of the USPS real estate acquisition program done at the request of the Chairman of the House Committee on Post Office and Civil Service.

We reviewed appropriate legislation, USPS regulations, and other documents regarding the postal facilities program, and analyzed the policies and procedures to be followed in coordinating with state and local officials when relocating, closing, or consolidating a post office. We discussed these matters with USPS management and staff who are responsible for implementing, tracking, and overseeing the facilities program.

We did our review at USPS headquarters in Washington, D.C.; the FSC for the Eastern Region in Philadelphia, Pennsylvania; Western Region in San Bruno, California; and the Southern Region in Memphis, Tennessee. Within the Southern Region we visited and interviewed USPS officials at the Facilities Service Office (FSO) in Atlanta, Georgia; and within Tennessee, the Memphis Division Office, the Nashville Division Office, and Knoxville Management Sectional Center.

We also visited certain Tennessee communities identified by the Chairman as involving complaints from his constituents about proposed USPS actions relating to local postal facilities. The possible relocation or closing of a post office was the concern of constituents in nine of these communities, two of which were also included in our sample of completed relocations. Information provided by these visits is summarized on page 18 of this report and reported in detail in a separate letter sent to the Chairman today.

We did our field work between April and December 1987. Our review was done in accordance with generally accepted government auditing standards.

The Postal Service Usually Coordinates Proposed Relocations, but Contact Policies Are Not Always Followed

We found that USPS met most of its community coordination requirements on the 103 projects we reviewed. On the 30 site acquisition projects from three USPS regions, USPS accomplished 89 percent of the required notifications. For the 73 Tennessee projects we reviewed, USPS completed 69 percent of the required notifications; but, on 9 of the 73 projects, state and local officials did not concur with USPS relocation plans. The Southern Region also accomplished 80 percent of its additional coordination requirements for USPS-owned facilities. We were unable to document any effects of omitted notifications.

From our visits to Tennessee communities we learned that, generally, constituent concerns about the relocation or closing of a post office no longer existed. In most instances, complainants and local officials seemed satisfied with the final outcome.

Most Coordination Completed for 30 Site Acquisition Projects

Of the 30 projects we reviewed from three USPS regions, 19 complied with all the community notification requirements. The USPS project files did not contain one or more of the required notifications for the other 11 projects. USPS accomplished 123 (89 percent) of the 138 required local and state notifications on these 30 projects. The 30 cases included 24 projects with 30,000 square feet or less and 6 projects of more than 30,000 square feet. The Southern Region carried out 22 of its 27 additional coordination requirements.

For the six larger projects USPS sent out 62 (about 94 percent) of the 66 required local and state notifications. For these larger projects, USPS requires additional coordination regarding site planning reports and environmental assessments. USPS' failure to document or to do this coordination accounted for the four notifications not sent out on two projects. USPS real estate acquisition officials told us that (1) notifications on one Southern Region project were made but were not in the project file and (2) notices for one Eastern Region project were not sent because that region failed to coordinate site planning and environmental assessment reports with state and local officials.

On the 24 smaller projects, USPS accomplished 61 (about 85 percent) of the 72 required local and state notifications.

Table 2.1 shows the coordination accomplished on the 24 projects of 30,000 square feet or less.

Chapter 2
The Postal Service Usually Coordinates
Proposed Relocations, but Contact Policies
Are Not Always Followed

Table 2.1: Coordination Required and Accomplished on the 24 Small Projects by USPS Region

Coordination required	Southern	Eastern	Western	Total
Number of projects	7	9	8	24
Required notifications per project	3	3	3	3
Total required	21	27	24	72
Coordination accomplished				
Preferred area:				
Local official	6	7	6	19
State Clearinghouse	4	8	8	20
Preferred site:				
State Clearinghouse	7	8	7	22
Total accomplished	17	23	21	61
Projects complying with all required notifications	3	6	6	15

USPS real estate officials in the Southern Region gave the following reasons why four notifications were not sent:

- On three preferred area notifications to the State Clearinghouse, the Southern Region real estate specialist was new and not aware of correct notification procedures. The General Manager of the Southern Region's Real Estate Division said the last training that included any in-depth discussion of coordination requirements had been in 1984.
- One preferred area notification to local officials was not done in order to save time and avoid missing a chance to acquire the only site offered.

Seven notifications (five preferred area and two preferred site) were not made in the Eastern and Western Regions. We did not determine the reasons for noncompliance.

The Southern Region made 22 of 27 (81 percent) of its additional required notifications on the seven site acquisition projects we reviewed. Two Chambers of Commerce were not notified of the preferred area, and SHPO was not notified of the preferred area on three projects primarily because of staff turnover and new staff who were not aware of the coordination requirements, according to the Manager of the FSC Realty Acquisition Branch.

Most Coordination Completed for 73 Relocation Projects in Tennessee

We reviewed 73 post offices that USPS relocated throughout Tennessee in fiscal years 1984 through 1987. We found that 24 projects fully complied with the USPS community notification requirements, while one or more notifications had not been made for the remaining 49 projects. In this regard, none of the required notifications were sent on eight of the nine projects in our sample that leased existing facilities. As table 2.2 illustrates, of 219 notifications required, we verified that 151 (69 percent) had been made.

Table 2.2: Coordination Required and Made for 73 Relocation Projects in Tennessee

Coordination required	New owned	Leased		Total
		New construction	Existing facilities	
Projects reviewed	16	48	9	73
Required notifications per project	3	3	3	3
Total required	48	144	27	219
Coordination accomplished				
Preferred area:				
Local official	16	46	1	63
State Clearinghouse	13	11	0	24
Preferred site:				
State Clearinghouse	16	48	0	64
Total accomplished	45	105	1	151
Projects complying with all required notifications	13	11	0	24

Our analysis showed that 68 (31 percent) of the required 219 community notifications were not made. For the preferred area, USPS did not notify local officials of 10 projects or the State Clearinghouse of 49 projects. The State Clearinghouse was not notified of nine preferred sites.

On the basis of our review of project files and discussions with USPS management officials in the FSC Realty Management and Acquisition Branches and Support Services Groups in the Memphis and Nashville Operations Divisions, we determined that required notifications were not made primarily for the following reasons:

Forty-six preferred areas and 9 preferred sites were not coordinated with the State Clearinghouse because historically the Southern Region was not requiring preferred area notifications for leased new construction or any notifications for leased existing facilities; the Manager of the

FSC Realty Management Branch mistakenly interpreted the USPS community coordination guidelines as applying only to owned facilities.

- Three USPS-owned projects were relocated without notifying the State Clearinghouse of the preferred area because the real estate specialist responsible for two of the projects did not make the required notifications and then improperly trained the real estate specialist responsible for the third project.

We were unable to specifically determine the reasons why 10 locally elected officials were not notified of the preferred areas. However, as a partial explanation, the Manager of Support Services, Memphis Operations Division, said three of the post offices were in very small towns and USPS negotiated for facilities without notifying the local elected officials.

For its 64 additional coordination requirements, the Southern Region made 51 (80 percent) notifications. Of the 13 notifications not made, seven Chambers of Commerce were not notified because the staff were unaware of the requirement; SHPO was not notified of four projects because a USPS real estate specialist chose not to and because he improperly trained another real estate specialist; and the Manager of the FSC Realty Acquisition Branch said that the other two notifications were made on the basis of supporting evidence in the projects files, but he could not provide documentation.

Nonconcurrence by State or Local Officials on Nine Relocation Projects

Nine of the 73 relocation projects reviewed (12 percent) did not receive concurrence at some point during the coordination process. On one project the local official did not concur on the preferred area, on three projects SHPO did not concur on the preferred area, and on five projects the local official did not concur on the preferred site.

The withholding of concurrence by local or SHPO officials had an effect on four of these projects. On two projects, USPS purchased a different site than it originally intended due to the recommendation made by local officials. On the third project, local officials did not specifically concur on the preferred area but recommended a site that USPS purchased. On the fourth project, SHPO delayed the acquisition process for 12 days before concurring on the site.

The other five projects received comments or advice indicating nonconcurrence that did not affect selection of the preferred site. The comments or advice received on these five projects were that

- local officials recommended an alternative site that was too expensive;
- local officials recommended that automobile and pedestrian access be provided from the post office to a nearby mall (they did not address the adequacy of the site);
- local officials said that access would be difficult, fire protection in the area was inadequate, the area was congested, and the site was zoned other than commercial; and
- SHPO said it could not determine the “precise area of impact” on two projects.

Southern Region officials told us that they attempt to resolve state or local officials’ concerns that are raised during the coordination process. We found that of these nine projects the region selected an alternative site in three as a result of the coordination process. Overall, 88 percent, or nearly 9 out of 10 projects, proceeded without objection from state or local officials who were notified.

Case Studies Show Opposition Decreased With Time

We visited 11 specific communities in Tennessee where constituents had contacted Senator Jim Sasser to express opposition to proposed changes in postal facilities, nine of them relating to relocation or closing of a facility. While the cases were not randomly selected and our work consisted mainly of interviews with complainants and local officials, we found that opposition became muted with the passage of time. On the basis of these visits we found that, generally, where a post office relocation had occurred, the constituents were satisfied with the new location and expanded facility once the decision to relocate had been publicly discussed and the community had had time to focus on the advantages as well as the disadvantages of the proposed changes.

USPS’ Southern Region Facilities Service Center Acts to Improve Community Coordination

We discussed our initial findings with Southern Region officials whose own subsequent investigation confirmed inconsistencies in interpreting and applying community coordination guidelines. We were told that some community coordination was not done because real estate specialists were new and were not aware of USPS requirements. Also, the last training courses that included in-depth discussions on community coordination requirements were held in 1984.

As a result, the General Manager of the USPS Southern Region Real Estate Division clarified community coordination requirements in a

March 16, 1988, memorandum to FSC and FSO general managers and managers of the realty branches. The memorandum explained the procedures to be followed in coordinating with SHPO and local officials for preferred site and selected site areas.

This memorandum clarified the required coordination guidelines for all facility relocations. In addition, training completed in June 1988 reviewed the intergovernmental review procedures with real estate specialists working in the region according to the General Manager, FSC Real Estate Division. (See app. II.)

Our review did not show any negative impact resulting from USPS' failure to coordinate the projects we reviewed. Nevertheless, we endorse the principle of community notification because failure to coordinate with state and local officials might preclude helpful suggestions about where a facility should be located and might lead to the harmful perception that the USPS is inattentive to local customer interests.

The measures being taken in the Southern Region should help ensure closer adherence to USPS' community coordination requirements. Because these positive steps have already been taken, we are not making any recommendations.

Agency Comments

In commenting on a draft of this report, USPS accepted GAO's findings that the Southern Region had been misinterpreting community coordination policy and stated that remedial action has been taken to clarify coordination requirements. Comments from USPS are included as appendix III.

USPS Policy on Closing or Consolidating Facilities

Occasionally, a post office is permanently closed or consolidated rather than relocated to a new site.¹ As described below, the procedures for community coordination when closing or consolidating a post office are precise and must be well-documented.

Section 404 of Title 39 of the U.S. Code provides procedural steps USPS must follow in deciding whether to close or consolidate a post office. Section 404 states that any decision to close or consolidate a post office must consider certain specific criteria including (1) the effect on the community served; (2) the effect on employees of the post office; (3) compliance with the government policy that USPS shall provide a maximum degree of effective and regular postal services to areas where post offices are not self-sustaining; (4) the economic savings to USPS; and (5) any other factors determined to be necessary by USPS.

Postal regulations concerning closing are designed to ensure that the reasons for proposing such service changes are fully disclosed at a stage when customers can make helpful contributions toward a final decision. Section 113.2 of the USPS Domestic Mail Manual (as incorporated by reference in 39 CFR 111.1) states that any formal proposal to close or consolidate a local post office must be in the form of a written public proposal. The postal regulations also state that the written public notice must then be posted prominently in the post office(s) whose customers would be affected. An accompanying invitation for comments formally requests interested persons to provide written comments on the proposal within 60 days. The public must be given the 60-day notice of a proposed action in order to enable persons served by the post office to evaluate the proposal and provide comments. USPS officials may also communicate with community residents during the 60-day period to ensure that the proposal is clear and residents' questions are answered promptly and completely.

At the end of the 60-day comment period, USPS senior managers may approve or disapprove the proposal on the basis of the total record. The record must include every document that was produced since the beginning of the process, including comments from the community.

¹In accordance with longstanding statutory and regulatory terminology, the USPS distinguishes between independent post offices, under the direction of a postmaster, and the stations or branches of a post office, which are subordinate service facilities operated by a station manager, postal clerk, or private contractor. The provisions discussed in this appendix apply when an independent post office is "consolidated" through replacement with a station, branch, or contract unit under the direction of another post office, or is "closed" without the provision of a replacement facility.

**Appendix I
USPS Policy on Closing or
Consolidating Facilities**

The final decision is to be made on the merits of the proposal after the entire record is reviewed at USPS headquarters. The written determination is to be made available to the persons served by the office at least 60 days before the discontinuance takes effect along with a notice that explains to local residents how they may appeal the decision.

Once a final determination is posted, any person regularly served by the affected post office may appeal the decision to the Postal Rate Commission within the first 30 days after the written determination was made available. The Commission then has 120 days to consider and decide an appeal, in accordance with 39 U.S.C. 404(b)(5). Even without an appeal, USPS cannot close a post office or merge its operation with another office until 60 days have passed since the public posting of the final determination.

USPS Memorandum Establishing Coordination Procedures

UNITED STATES POSTAL SERVICE
FACILITIES SERVICE CENTER

Memphis, TN 38166-0330

DATE March 16, 1988
OUR REF FSC450:JAdk\ins:mdf:38166-0330
SUBJECT Community Contact and Intergovernmental
Coordination of Facility Actions
TO • General Managers, FSOs
Manager, Realty Acquisition Branch
Manager, Realty Management Branch

STAFF
[Signature]

The ongoing General Accounting Office audit of our facility acquisition practices, both leased and owned, and our own reviews have disclosed inconsistencies from office to office in the interpretation and application of community contact and intergovernmental coordination guidelines.

Community contact requirements are set forth in Section 517.2 of the Administrative Support Manual. The Division offices are responsible for issuance of notifications to the local community early in the planning phase describing the proposed action, including the preferred site area, and inviting local comment.

Intergovernmental Review Procedures are set out in Chapter 7 of Handbook RE-6, Environmental and Intergovernmental Review Procedures, and are the responsibility of the Facilities Service Centers and offices. In Single Point of Contact states (and all Southern Region states have established Single Point of Contact offices), we are required to issue an initial project notice prior to initiation of real estate activities, and to issue a final notice upon selection of site, existing building, etc. These procedures apply to the following types of facility project actions as listed in Section 720 of the RE-6:

- a. New facility construction, owned or leased.
- b. Expansion of an existing facility.
- c. Purchase or lease of an existing building if a new or substantially enlarged occupancy is involved.
- d. Real property disposals.
- e. Other facility actions that might affect state or local community plans.

Appendix II
USPS Memorandum Establishing
Coordination Procedures

Page 2

We have found that initial notices are not being issued by some offices in all cases, and that final notices are being omitted in others. We have also learned that Single Point of Contact notices have not gotten through to State Historic Preservation officers and local governmental officials in some cases.

To achieve consistency and to assure adequate coordination with State Historic Preservation officers and local governmental officials, the following procedures are to be implemented immediately, as a minimum, as to all actions listed above.

Initial Notices

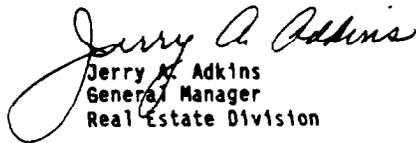
Upon receipt of Request for Services, issue initial notice to the State Single Point of Contact with copies thereof to the State Historic Preservation officer and local governmental officials. The initial notice should describe the planned action as required under Section 732 of RE-6, and include information as to what disposition will be made of any existing facilities which will be vacated or otherwise affected. In the states of Florida and Mississippi, copies are also to be sent to the area clearinghouse.

Final Notices

After selection of contending sites or specific site existing building, etc., issue final notice to the State Single Point of Contact with copies to the State Historic Preservation officer, local governmental officials, and area clearinghouse (Florida and Mississippi) as above.

The Administrative Support Manual and RE-6 outline requirements for response to comments received, and your staff should be familiar with same, as well as the supplemental actions necessary in projects requiring environmental assessments.

A thorough discussion of Intergovernmental Review Procedures will be held during our May training sessions. Please let me know if you have any questions in the meantime.


Jerry A. Adkins
General Manager
Real Estate Division

cc: J. T. Coe

Comments of the Postmaster General on a Draft of This Report



THE POSTMASTER GENERAL
Washington, D.C. 20260-0010

December 13, 1988

Dear Mr. Fogel:

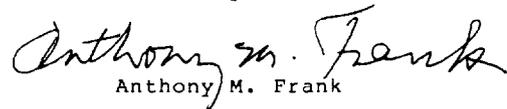
This refers to your draft report entitled POSTAL SERVICE: Community Involvement in Post Office Relocation Decisions.

The draft correctly reports that Postal Service policy requires specific coordination within the community involved in a forthcoming facility relocation, whether the facilities involved are USPS owned or leased, but in our Southern Region this coordination was oftentimes not occurring because the region had been misinterpreting USPS community coordination policy and because some new staff were not aware of the coordination requirements.

We appreciate your calling this matter to our attention. As the report notes, remedial action has already been taken. The Southern Region has taken measures to clarify its coordination requirements, and a discussion of coordination procedures was included during training sessions held in June 1988.

Thank you for giving us an opportunity to comment on your draft report.

Sincerely,


Anthony M. Frank

Mr. Richard L. Fogel
Assistant Comptroller General
United States General Accounting Office
Washington, D.C. 20548-0001

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